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YUGOSLAV LAW ON THE MANAGEMENT OF ENTERPRISES BY LABOR UNIONS

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According to the 1946 law, state economic enterprises operated on the principles of administrative connections in the framework of state socialism, within which they had legal and financial independence. According to the new law, enterprises operate and enter into associations on economic but not administrative principles. The administrative functions of the state still exist in the enterprise through the director and the plan, but they are directed toward less state interference in the economy. A certain dualism still exists in the new law, but it is directed toward the further reinforcement of the producers' authority based on their economic interests and the state's progressive relinquishment of direct management of enterprises.

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An autocratic system of solving problems and issuing orders through the director and other state agencies existed in the former law. The new law places the management of the economy in elective, cooperative bodies, workers' councils, management committees, and commissions created for individual problems.

The law provides for the uniting of economic enterprises into higher economic associations. This can be done on the basis of type of production, on the basis of fulfilling certain common needs, and in some cases on a regional basis.

The law regulates the rights and obligations of the workers' councils, the management committee, and the director. The workers' councils and management committees function as a body and only in the meetings. The director alone functions individually and outside the meetings.

Workers' councils and management committees are elected each year. Not more than a third of the members of a newly elected committee can be members of the previous year's committee. Three fourths of the members of the management committee must be workers in the enterprise. No member may serve longer than 2 years. Each member must not only work toward increasing production but also work in the interest of the collective and all its members, or he will be replaced and required to answer for any action contrary to these interests.

The workers' council is a management and not an advisory body. It approves the basic plans and the final accounts of the enterprise. It makes decisions on the management of the enterprise and fulfilling the economic plan. It selects, dismisses, and replaces the management committee or individual members of it. It prescribes rules for the enterprise with the approval of the management committee of the higher economic association or the state agency concerned. It considers the reports of the management committee and approves or disapproves the committee's work. It reviews individual measures taken by the management committee and gives its conclusions. It distributes that part of the accumulated funds which is placed at the disposal of the workers' collective.

The workers' council is composed normally of 15 to 120 members, but can have 30 to 200 members in larger economic enterprises. Meetings must be held every 6 weeks and may be held more often if the management committee, a third of the members of the council, the workers' collective, or the director desires. The director and other members of the management committee must attend the meetings of the council. Decisions are made by majority vote.

The management committee is the executive body of the workers' council. It manages the enterprise or association of enterprises and is responsible to the workers' council, the state agencies concerned, and the management committee of the higher economic association. The committee prepares proposals on the management of the enterprise to be submitted to the council; decides questions connected with the appointment of management officials and with professional advancement; takes measures concerning rationalization, quality improvement, economy, work norms, shock work, innovations, working relationships, pay, safety, vacations, work improvement, and improvement of living conditions; takes measures to safeguard and make the proper use of state-owned property under the jurisdiction of the enterprises; takes measures to discover and prevent sabotage, wastefulness, and similar acts detrimental to state-owned property.

The management committee must report to the proper government agency its objections and remarks on the decisions, regulations, and instructions of the management committee of the higher economic association, when it considers that the decisions, etc., are not in accord with the law, or that they are injurious to the interests of the enterprise; but the committee may not hinder their execution. The management committee is empowered to create commissions from the ranks of the blue- and white-collar workers to help solve individual problems.

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The director of the enterprise and of the higher economic association still has considerable authority. He represents the state, which is still directly concerned with the operation and management of the enterprise. The director is appointed by the management committee of the association, if any; otherwise by the government agency concerned. The director of an association is appointed by the government agency, the presidium of the people's skupstina, or a people's council. The director is responsible to the management committee of the enterprise, to the management committee and the director of the higher economic association, and to the state agency concerned. The director of the higher economic association is responsible to the higher economic association and the state agency concerned.

The director manages the production and operation of the enterprise or the higher economic association. He represents the enterprise outside and has authority to assume obligations in its name. He hires workers, appoints officials, and assigns work. The director is required to delay provisionally the carrying out of those decisions of the management committee which appear contrary to the laws, regulations, and plans of the state agencies concerned. In such case, he must, without delay, inform the management committee of the higher economic association or the state agency concerned, which must rule on the problem within 10 days.

The director may be criticized only at meetings of the council and the committee. He may be removed only by the agency which appointed him.

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